

Message Text

LIMITED OFFICIAL USE

PAGE 01 QUITO 00784 051917Z

73

ACTION ARA-20

INFO OCT-01 EUR-25 ISO-00 EB-11 COME-00 CIEP-02 TRSE-00

SCI-06 FEA-02 INT-08 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 SAM-01 SAJ-01 FPC-01 NIC-01 OPIC-12

DRC-01 /169 W

----- 069984

R 051807Z FEB 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 9902

INFO AMEMBASSY BUCHAREST

AMCONSUL GUAYAQUIL

LIMITED OFFICIAL USE QUITO 0784

E.O. 11652: N/A

TAGS: ENRG, EC, RO

SUBJ: ENERGY: PETROLEUM MINISTERS OF ECUADOR AND ROMANIA AGREE
ON SEVEN POINT PROGRAM

REF: A. QUITO 0398; B. QUITO A-159, DECEMBER 25, 1973

1. SUMMARY: UPON CONCLUSION OF WORK OF THE ECUAODR-ROMANIAN MIXED COMMISSION, PETROLEUM MINISTERS OF THE TWO COUNTRIES ISSUED JOINT DECLARATION JANUARY 31 ANNOUNCING DECISION TO PROCEED WITH SEVEN POINT PROGRAM OF COOPERATION IN DEVELOPING ECUADOREAN PETROLEUM INDUSTRY. ROMANIAN COMMITMENT LIES IN TECHNICAL ASSISTANCE AND SERVICES, PRESUMABLY AT ECUADOREAN EXPENSE. ROMANIAN ACCESS TO ECUADOREAN CRUDE MAY HAVE BEEN DISCUSSED INCONCLUSIVELY. MIXED COMMISSION NEXT MEETS IN BUCHAREST IN MAY 1975. END SUMMARY.

2. ECUADOR-ROMANIAN MIXED COMMISSION ON PETROLEUM CONCLUDED ON JANUARY 26 STUDIES OF VARIOUS PROJECTS BEGUN ON JANUARY 17.
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 QUITO 00784 051917Z

ROMANIAN MINISTER OF MINES, PETROLEUM, AND GEOLOGY, DR. BUJOR

ALMASAN, CAME IN PERSON FOR THE LAST TWO DAYS OF COMMISSION MEETINGS AND TO CONCLUDE DETAILS OF THE AGREEMENT ON BEHALF OF HIS GOVERNMENT. ALMASAN AND ECUADOREAN MINISTER OF NATURAL RESOURCES AND ENERGY, GUSTAVO JARRIN, ISSUED A JOINT COMMUNIQUE JANUARY 31, 1974, ANNOUNCING THE DECISION, SUBJECT TO APPROVAL OF THE TWO GOVERNMENTS, TO PROCEED WITH SEVEN PROJECTS. IT WAS DECIDED THAT THE MIXED COMMISSION SHOULD NEXT MEET IN BUCHAREST MAY 1975.

3. THE COMMUNIQUE LISTS THE FOLLOWING SEVEN PROJECTS:

- A. ROMANIA MAY PARTICIPATE IN THE INTERNATIONAL BIDDING TO CONSTRUCT AN LPG PLANT USING GAS FROM THE TEXACO-GULF SHUSHUFINDI OIL FIELD. (QUITO 284 TRANSMITS GOE TENDER FOR A FEASIBILITY STUDY OF THE PROJECT.)
- B. AS AN ALTERNATIVE TO POINT A, ROMANIA MAY SERVE AS ADVISOR TO CEPE IN SELECTING WINNING BIDDERS AND IN SUPERVISING CONSTRUCTION OF THE LPG PLANT.
- C. ESTABLISHMENT OF AN ECUADOR-ROMANIAN BINATIONAL SERVICE COMPANY WITH 51 PERCENT ECUADOREAN PARTICIPATION AND 49 PERCENT ROMANIAN TO DRILL EXPLORATORY AND DEVELOPMENT WELLS IN THE BERMEJO, TIVACUNO, TIPUTINI, AND EVENTUALLY OTHER STRUCTURES. THE BINATIONAL COMPANY WOULD BE HIRED BY CEPE FOR THIS WORK. IT MAY ALSO HANDLE OTHER CONSTRUCTION TASKS IN THE DEVELOPMENT OF THE BERMEJO STRUCTURE.
- D. ROMANIAN TECHNICAL ASSISTANCE IN GEOLOGICAL AND GEOPHYSICAL EXPLORATORY WORK IN THE COASTAL REGION OF ECUADOR.
- E. ROMANIAN TECHNICAL ASSISTANCE IN PLANNING THE ECUADOREAN PETROCHEMICAL SECTOR AND IN DESIGNING PRELIMINARY PROJECTS.
- F. ROMANIAN TECHNICAL ASSISTANCE IN FEASIBILITY STUDIES OF A LUBRICATING OIL PLANT.
- G. TRAINING OF ECUADOREAN PERSONNEL.

4. THE JOINT COMMUNIQUE FURTHER RELATES THAT ALMASAN MADE THE FOLLOWING POINTS IN DISCUSSIONS WITH THE GOE. FIRST, A MIXED COMPANY SHOULD BE FORMED TO EXPLORE ONE OF THE AREAS BELONGING TO CEPE IN THE ORIENTE AND THAT THE ROMANIAN GOVERNMENT WOULD PRESENT A COMPETITIVE OFFER. SECOND, THE TWO COUNTRIES SHOULD SEEK MUTUALLY BENEFICIAL WAYS OF OBTAINING BASIC PRODUCTS OVER THE LONG TERM. THIRD, THE TWO COUNTRIES SHOULD STUDY THE POSSIBILITY OF REFINING A PORTION OF ECUADOREAN CRUDE IN ROMANIA FOR LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 QUITO 00784 051917Z

JOINT MARKETING. THE JOINT COMMUNIQUE STATES THAT JARRIN FAVORED DISCUSSING THESE POINTS IN THE MIXED COMMISSION AND THAT WITH RESPECT TO ALMASAN'S FIRST POINT IT WOULD BE POSSIBLE TO FORM SERVICE FIRMS IN ACCORDANCE WITH ECUADOREAN LAW. THE COMMUNIQUE MENTIONS NO REPLY TO ALMASAN'S SECOND AND THIRD POINTS OTHER THAN THAT JARRIN EMPHASIZED ECUADOR'S NEED TO OBTAIN PRODUCTS SUCH AS FERTILIZERS, PETROCHEMICALS, ETC.

5. ALTHOUGH SOME ECUADOREANS ARE BAFFLED OR CONCERNED BY THE ROMANIAN CONNECTION, THE ONLY PRESS QUESTIONING HAS COME FROM COLUMNIST AND FORMER FONMIN JULIO PRADO OF QUITO DAILY EL TIEMPO. HE EXPRESSED MISGIVINGS ABOUT DEVELOPING THE PETROLEUM INDUSTRY JOINTLY WITH FOREIGN STATE-OWNED ENTERPRISES. SUCH FIRMS, PRADO ASSERTED, CANNOT AVOID BEING MOTIVATED ENTIRELY BY THE POLICIES AND INTERESTS OF THE FOREIGN GOVERNMENTS THEY SERVE. THEREFORE, THERE SHOULD BE DEFINITE LIMITS TO THE EXTENT OF SUCH COOPERATION. THIS OBSERVATION WOULD APPLY AS MUCH TO PETROBRAS OR YPF OF ARGENTINA AS TO THE ROMANIANS, PRADO CONCLUDED.

6. COMMENT: SPECIFICS OF THE AGREEMENT CONCLUDED DURING PRESIDENT CEAUDESCU'S VISIT TO ECUADOR IN SEPTEMBER 1973 HAVE BEEN WORKED OUT WITH SURPRISING SPEED. WE SUSPECT THAT ROMANIA WILL GET THE NOD IF IT DECIDES TO COMPETE IN THE BIDDING FOR CONSTRUCTION OF THE LPG PLANT (ONCE ITS FEASIBILITY HAS BEEN ESTABLISHED) OR THE RIGHT TO DEVELOP, IN ASSOCIATION WITH CEPE, ONE OF THE 15 LOTS THAT CEPE PLANS TO LET OUT ON BIDDING. FIELD WORK ON EITHER OF THESE OR DEVELOPMENT OF BERMEJO, HOWEVER, LIE SOME DISTANCE DOWN THE ROAD. THE WORDING OF THE JOINT COMMUNIQUE AND A MINISTRY OF NATURAL RESOURCES PRESS RELEASE ON THE SUBJECT SUGGEST THAT ROMANIA IS STILL UNDECIDED WHAT RESOURCES SHOULD BE SUNK INTO ECUADOREAN PETROLEUM DEVELOPMENT. THE JOINT COMMUNIQUE SUGGESTS THAT MINISTER ALMASAN SOUGHT ACCESS TO ECUADOREAN CRUDE AND THAT JARRIN WAS NONCOMMITTAL IN REPLY. IN VIEW OF THE DISTANCE BETWEEN THE TWO COUNTRIES, HOWEVER, WE WONDER IF THE ROMANIANS CONSIDERED THIS A REALISTIC GOAL.

7. COMMENT FROM EMBASSY BUCHAREST ON THE RELATIONSHIP OF ROMANIA'S ACTIVITY IN ECUADOR TO ITS FOREIGN AND PETROLEUM POLICIES WOULD BE WELCOME.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 QUITO 00784 051917Z

BREWSTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TECHNICAL ASSISTANCE, PETROLEUM PRODUCTION, LPG, JOINT VENTURES, COMMUNIQUE
Control Number: n/a
Copy: SINGLE
Draft Date: 05 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974QUITO00784
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740255/aaaabzhr.tel
Line Count: 155
Locator: TEXT ON-LINE
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. QUITO 0398; B. QUITO A-159, DECEM, BER 25, 1973
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAY 2002 by elyme>; APPROVED <03 JUN 2002 by morefirh>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: PETROLEUM MINISTERS OF ECUADOR AND ROMANIA AGREE ON SEVEN POINT PROGRAM
TAGS: ENRG, EC, RO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005